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AUGUST 9, 1965

SPAIN: A TOP DOLLAR MARKET

ITALY'S LIVESTOCK AND MEAT PROBLEM

U.S. VARIETY MEAT PROMOTION IN BRITAIN

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

AUGUST 9, 1965

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Livestock fair at Medina del Campo, Spain. As the Spanish modernize their livestock industry, their need for U.S. feed grains and soybeans will continue to expand. (See story on opposite page.)

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The well-being of these Madrid students reflects that of their country's economy.

Spain—A Top Dollar Market for U.S. Farm Products

By DOUGLAS M. CRAWFORD
U.S. Agricultural Attaché, Madrid

For a few years preceding 1961-62, Spain obtained most of its agricultural imports under Title I of Public Law 480, paying with pesetas rather than dollars. Largest arrivals were in 1956-57—over $100 million. Then these special program imports tapered off gradually until 1961-62, when Title I arrivals were $44 million. But since that year, Spain has shifted to commercial purchasing of the U.S. farm products it needs, and it now has become one of our 10 best dollar customers.

Consumer acceptance for two of the commodities Spain used to import under special export programs has been good. These are feed grains and soybean products. The value of last year's commercial sales of feed grains was twice as high as that of Title I imports in their biggest year. This reflects the progress of Spain's developing poultry industry, as does also the increasing expenditure for soybean products (mostly of U.S. origin)—from practically nothing under P.L. 480 to cash sales of about $2 million in 1962-63 and more than $4 million in 1963-64. From the crushing of these beans, Spain derives not only soybean cake and meal for feed, but low-cost vegetable oil to supplement its domestic supplies. In addition, it continues to import soybean oil direct, but now as a dollar customer.

Sales future looks promising

The important fact about both feed grains and soybean products is that our future marketing possibilities hold even more promise. In Spain as in the rest of Europe, the demand for meat is growing with per capita income; all sectors of the livestock industry are being modernized, and more feedstuffs are required. Thus, we can look forward to still more expansion in sales of feed grains, soybeans for crushing (estimated at over $12 million for 1964-65), and—in some years—soybean meal. Further, Spain will continue to make good use of the oil from the U.S. beans and also the U.S. oil itself, especially in years like the current one when olive oil is short.

There is a tendency to mention only large volume sales of principal commodities. This is to overlook the growing sales importance of other products. For example, tallow imports from the United States are now four times greater than they were 4 years ago. Sales of vegetables and preparations are at an alltime high. U.S. hides and skins earn over $1 million in this market. And Spain is a leading consumer of U.S. cigarettes (which are probably priced low for the visiting tourist).

In 1963, the United States sold Spain $122.5 million worth of agricultural products. Spanish trade data for 1964 are incomplete, but the value of U.S. sales fell off because of Spain's extraordinarily large 1963-64 olive oil output, which seriously curtailed imports of soybean oil. In 1965, however, prospects for sales are bright; the dollar figure could be higher than that of 1964.

Why the shift to dollar imports

Spain's economic system has undergone a profound reorientation in the past 5 years; policies instituted in that time are now taking hold. The peseta is stable in international money markets and almost entirely convertible. In each of the past 3 years, the gross national product (in real terms) has increased by over 6 percent; it totaled nearly $17.7 billion in 1964.

State budgets are showing surpluses, and gold and foreign exchange reserves have grown from only $199 million in 1959 to over $1.4 billion at the close of 1964. Agricultural output, though lagging behind the rapid pace of other development, has improved in the past decade. Spain is supplying world markets with increasing quantities of fruits and other products.

In short, the Spanish economy shows every sign of continuing its rapid expansion and of reducing the substantial

gap between it and the economies of other European countries—provided price tensions are alleviated and the more excessive structural imbalances corrected. At the moment, the most notable problems are powerful inflationary pressures and a continued lag in the formation of a strong agricultural base for development.

The cost-of-food index rose over 20 percent from February 1964 to February 1965. This situation is of great concern to the government. Briefly, it has come about because foreign investments, large receipts from tourism, and large amounts of credit have added to the supply of money in circulation and prices have been bid upwards. Wages have followed in a rising spiral, and this trend can be expected to continue.

Expanding real incomes and a continued large influx of tourists (16 million expected in 1965) have increased the demand for certain foods, especially meat and livestock products. Agricultural output has been increasing, but more slowly than demand; and imports have not filled the gap.

The current agricultural situation

In 1964, Spain's agricultural production was down, primarily because of a severe and prolonged drought. On an overall basis, production probably declined 10 percent; grain production, even more. The greatest decrease was in olive oil, with an estimated output that is among the lowest in several years—markedly below average production, which is about 400,000 tons.

This year, drought conditions again prevail in Spain, and crops of grain, cotton, and other products will be down, though how much it is not yet possible to say.

These crop shortages point to a need for increased imports. Corn imports alone will probably reach 1.5 million tons in 1965. If prices are right, a significant quantity of U.S. barley will arrive; France, however, with a good crop, can become a serious competitor. Spain in the next marketing year will very likely import from 180,000 to 200,000 tons of vegetable oil (mostly U.S. soybean oil), as well as increased quantities of U.S. soybeans for its seven modern crushing plants.

Market development outlook

In good crop years or bad, Spain will probably continue to be a profitable market for U.S. agricultural commodities. The demand for protein foods there continues to grow, and a modern poultry industry is rapidly emerging—with the aid of U.S. feedstuff imports. This industry should eventually supply most of the basic requirements for poultry meat, and it does not appear that the market for imported poultry will be a steady one, though occasionally there will be need for spot importations.

Meat prices have increased markedly in Spain during the past year. Efforts are being made to increase livestock production, but there should be a continuing market for beef over the next several years. Spain buys beef primarily from Uruguay and Argentina. However, with increasing export prices for beef from these sources, prospects are more favorable for sales by the United States.

Recently, there have been indications of increasing interest in importing U.S. feeder cattle. Mention has been made of possible sales as large as 10,000 head. Imports of U.S. calves have so far been hampered by various problems, but several firms continue to look into the feasibility of this trade.

Cotton production has gone down in the past several years despite a price support which guarantees farmers 50 percent above world prices. There are indications

Below, gathering olives; right, hemp mats used in refining sulfur oil (an olive oil residue) in a "refuse oil" factory. Last year was an "off year" for Spain's olives—a fact that increases its demand for U.S. soybeans and soybean oil.

that farmers are using cotton land to produce other crops offering better returns. In addition, drought affected outturns both last year and this. This situation increases export possibilities for all foreign cottons, including ours.

There appear to be some opportunities for us to gain a larger share of the hide market in Spain, of which the traditional suppliers have been Argentina and Australia. This marketing possibility should be explored.

Occasionally, we will be able to sell Spain Hard Winter wheat. Our sales possibilities there depend largely upon the Spanish rainfall pattern, which either produces an abundant crop or causes rather severe deficits. Spanish bakers know U.S. wheat from their experience with P.L. 480 sales, and they readily accept it.

Spain moves toward liberalized trade

After its Civil War, Spain followed a very restrictive trading policy. Not until the 1950's did it begin to move toward a more liberalized trading system. By 1964, the categories of trading were as follows: Liberalized, 64 percent; "globalized," 13 percent; state trading, 12 percent; bilateral and special trade, 10 percent; other, 1 percent.

Agricultural commodities such as wheat, meat, cotton, and poultry are under state trading, and the licensing operation tends to restrict agricultural exports to Spain from the United States. On the other hand, dry beans, casing, cheese, baby chicks, hatching eggs, peanut oil, oilseed cakes and meals, soybeans, potatoes, seeds, tallow, and wool are now liberalized. Feed grain imports, although under state trading, are being issued licenses at the request of importers.

Spain, now a member of the Organization for European Economic Cooperation, the General Agreement on Tariffs and Trade, and the International Monetary Fund, is under constant pressure to liberalize more rapidly. The United States can look toward more export opportunities as this process of liberalization continues.

Future trade policies a question

One questionmark, however, is the future relationship of Spain with the European Economic Community, by far its most important market. In talks that began in December with the EEC's Council of Ministers, Spain has hinted that it might have to revert to former protectionist policies if EEC markets were reduced or closed to it.

The eventual integration of Spain into the EEC would require concentrated efforts by the Spanish Government to correct the structural defects of the country's economy and make its industry competitive with that of other EEC countries. But within Spain some voices have been raised against too great haste toward the EEC. They point out that while Spanish agricultural exports are subject to a slight EEC tariff discrimination, their export to the EEC has not been impaired; on the contrary, the export rate for these products has continued to rise. On the other hand, they argue, entry into the EEC would oblige Spain to reduce its own customs tariffs, especially those on industrial goods, and this would handicap the industrial development Spain is now trying to foster.

At any rate, there is little evidence that Spanish integration—or even association—with the EEC is imminent. While Germany and France are inclined to grant Spain an association arrangement, there has been strong opposition from the Benelux countries and Italy.

Above, oranges being picked; right, upland cotton in the Badajoz area; far right, harvesting wheat. Citrus, grown in irrigated areas, has had a normal crop. The wheat and dryland cotton crops are both expected to be down after 2 dry years, although import prospects are still uncertain.

The Italian Livestock and Meat Problem

—how Italy is trying to solve it, how the United States can help.

By ROBERT C. TETRO
U.S. Agricultural Attaché, Rome

Three of the decisions taken by the European Economic Community's Agricultural Council at its June session bear witness to the urgency with which Italy regards its current livestock situation. Italy requested, and the EEC Ministers of Agriculture granted, permission to go on suspending for 9 more months beyond June 30 its duty on cattle weighing less than 750 pounds. The Ministers also renewed until September 30 the reduction of the EEC's common external tariff on frozen veal and beef destined for processing—from 20 percent to 10 percent; and they gave Italy a special exemption to the requirement that such imports come in for processing only, so that it can bring frozen beef in for direct consumption, at least until September 14.

The article that follows gives the background of Italy's livestock problem and discusses some of the efforts being made to ease it.

Italy, with consumers so hungry for beef and veal that they will pay $1.75 a pound for veal round steak, has a livestock and meat industry not yet modern enough to meet this heavy demand. The industry's most serious problems—such as too few cattle, too many small enterprises, and too high costs of production—existed long before Italy's current beef shortage, which reflects an emergency situation common to much of Europe this year. And the government is well aware that the long and difficult task of updating Italy's livestock industry must not be overshadowed by the immediate need for rapid short-range action.

In both the short-range and the long-range approach to Italy's complex livestock situation, U.S. farm products such as feed grains, soybeans for cake and meal, tallow, poultry meat, feeder and breeding cattle, and calves have had and will, we hope, continue to have important parts to play. It is very much in our interest, not only as friendly partners in the Western world, but as hard-headed business colleagues, that Italy solve its livestock problems.

Background of the meat shortage

Unlike the United States, where people outnumber cattle less than twice, Italy has more than 5 times as many people as it does cattle—and in recent years these people have been eating more beef and veal. From 1955 through 1963, the trend was steadily upward.

Italy shared this trend with other European countries. During the late 1950's, incomes throughout Europe rose quite rapidly and rather steadily. Consumers could afford more meat and wanted to buy it. To some extent, this increased need was met from domestic production, but in general, Europe's economic progress went much further in the factory than on the farm. Yet substantial increases in meat production were registered, even in Italy, which owed some of its meat increase to larger imports of live animals from its European neighbors.

In 1962, a serious drought struck Europe, with special persistence in the south-central and southeastern countries on which much of Italy's meat consumption usually depends. While actual death losses were not high, shortages of feed and forage compelled farmers to reduce their herds severely. In Italy, cattle numbers dropped each year by over 200,000 head—in 1964, by nearly 400,000, to only 8,970,000 head compared with the 1961 high of 9,945,000. Meanwhile, cattle numbers also dropped in the countries that ordinarily fill Italy's import needs, and Italian imports of live cattle slumped from a record 755,000 head in 1963 to 545,000 in 1964.

Partly because of Italy's own cattle losses, and partly because of reduced availabilities of beef as well as live animals from traditional sources, Italian beef supplies also declined in 1964. But demand continued to rise; for despite the economic difficulties, consumer income remained high, owing to the delayed effect of salary increases, the impact of sliding wage scales, and other factors. As a result, meat and cattle prices reached record levels.

Pork and poultry help fill beef gap

Italy's cattle industry was not geared to meet this situation. Still dominated by large numbers of farmers each raising a small number of animals, it could not respond with rapid increases in the beef and veal supply. Prices might have risen even more had the Italian Government and trade not made unusual efforts to improve domestic supplies of other meats and to find new outside sources for meat and cattle.

While the government has been encouraging all livestock raising, most substantial success is visible in the two areas susceptible to quick change: hogs and poultry. Pork production increased from 373,000 metric tons (carcass weight) in 1963 to 452,000 in 1964, and it is forecast at 460,000 for 1965. But Italy's swine, produced for salami and sausage makers, are the fattest in Europe. This has discouraged direct home use of pork and has given rise to a lean-pork campaign.

Poultry meat production rose in 1964 to the record height of 273,230 tons, from 262,500 the year before; and further gains are expected this year. Nearly all the 1964 consumption of poultry meat came from domestic output, although only 10 years ago imports had accounted for 20 percent. Imports of poultry meat from all sources except the United States continued to decline; but the continued popularity of U.S. turkeys helped move the United States up to the rank of No. 2 poultry meat supplier. In December, the Italian ban on imports of poultry parts was lifted, and this liberalization is expected to bring a further rise in imports from the United States.

Beef, cattle, calves imported

The government urged consumers to shift toward pork and poultry because rapid increases in domestic supplies of these meats were possible. But it also tried to step up beef and veal supplies in the only quick way available—

through encouraging imports. Imported frozen beef, a striking novelty in 1963, became a solid success in 1964. Because of short supplies not only in Europe but in Argentina, Italy had to turn to less traditional sources such as Australia and New Zealand.

To augment meat supplies further, the government eased the entry of meat "on the hoof"—feeder cattle and calves—by suspending duties and giving assistance on transport costs. Since July 16, 1964, when Italy first gained permission from EEC for the duty suspension, it has imported 10,365 head of U.S. feeder cattle and 8,586 U.S. calves.

Owing to the strong demand for veal in Italy, traders showed an early interest in calves, and price differences during 1964 between the United States and Europe favored this trade. Values in Europe for young calves were two to three times as high as they were on U.S. farms or in farmers' markets. All costs, including air freight at somewhat reduced rates, could be covered and the calves could still be delivered by air to Europe at prices comparable to those for calves of European origin, by shipping them in specially devised cartons (*Foreign Agriculture*, Aug. 3 and 24, 1964.)

Cost was only one problem; in this new venture, there was much organization to be undertaken, and experience was limited. When calves were shipped too young or were improperly fed, death losses were too high.

During the past winter and spring, Italian interest in importing U.S. calves dwindled, as the result of increased seasonal availability of European calves plus the larger supplies of pork and poultry (both domestic and imported), not to mention the recent advances in U.S. cattle prices. During this interim, the results of the "calves in cartons" shipments are being assessed by the trade and the governments on both sides of the Atlantic. The effectiveness of that assessment will be tested in the summer and fall as European supplies diminish.

Imports of feeder cattle, like those of veal calves and meat, will be a necessity until Italy becomes more self-sufficient in its own production. U.S. feeder cattle, like U.S. calves, can help if prices and costs are right. One question that arose early in the cattle import story was whether U.S. beef breeds such as Hereford, Shorthorn, Angus, Brahman, and also the many beef crosses, could produce a meat lean enough for Italian tastes. After several months of trial, the answer is "Yes, when properly fed"—even in competition with fine Italian animals like the Chianino, Romagnolo, and Marchigiano.

The quality of arrivals has been improving steadily as buyers and sellers get to know each others' needs and circumstances. In this effort, several State and U.S. port authorities have taken an effective interest, and a useful exchange of technicians has occurred.

Long-range programs needed

But over the long pull, satisfactory solutions of Italy's livestock problems cannot lie only in imports of either meat or "meat on the hoof." Long-range plans are necessary for building breeding herds, and the Italian Government and farm leaders are already encouraging this process. Farm units need to be enlarged and modernized; feeding and marketing practices, to be updated.

Beyond argument, better and more widespread breeding of certain fine Italian cattle strains will be helpful. However, to correct the serious shortfall in Italian beef and veal production, even more needs to be done. New bloodlines are needed, and U.S. purebred cattle could help here; cattle such as the U.S. Santa Gertrudis and other Brahman crosses, as well as U.S. modifications of European breeds, all should find a useful place.

Any long-term solution requires testing under local conditions, but much time can be saved if Italian breeders can accept the results of tests already conducted under controlled conditions in the United States.

More difficult than choosing the types of animals needed to build up Italy's beef herds is the thoroughgoing modernization in feeding techniques that will be necessary if these herds are to develop their full potential. For all the feeder cattle and calves imported, adequate feeding was a primary problem. Here again, U.S. cattlemen can share their specialized experience with their Italian counterparts, and attempts to do this at such trade fairs as Milan, Florence, Verona, and Bari prove the strong interest that exists on both sides.

The United States is playing an active part in the growth of the Italian poultry and swine industries; it counts Italy as its No. 4 feed grains customer. Italy's burgeoning mixed-feed industry, to which are destined the bulk of these feed grain imports as well as large quantities of soybean cake and meal and tallow, tailors nearly half of its output for poultry and a fourth for swine, the rest for cattle. Total production jumped from 430,000 metric tons in 1957 to 1,300,000 in 1963, and is still rising. But the slow and difficult move toward what the Italians call industrialization of their cattle industry—the development of feedlot operations tied to modern distribution—will require not only ample supplies of high-quality, high-energy feed, but also wider dispersion of technical skills and much more capital.

One newfound asset in this modernization effort is the rise of the supermarket in Italy. Italy had only 45 supermarkets in 1961; by 1963, it had 220. This has meant a steadily increasing demand and outlet for meat of uniform quality and modest price, which the thousands of small slaughtering plants and neighborhood butcher shops could never fill, despite their continued usefulness within Italy's general business structure.

Common U.S.-Italian problems

Italian and U.S. specialists have long been working together to solve general problems that can arise in connection with cattle imports. Feeding and handling have been among these. In the United States, cattle are often accustomed to an outdoor freedom not common in Italy; while not wild, they need tactful handling as they adjust to the more confined conditions of most Italian farms. Differences in health controls and regulations, in the housing of cattle, and the like, all can be resolved with better advice in the early care of imported animals.

More complex are the problems that Italy and the United States jointly face from the developments envisaged by the EEC's Common Agricultural Policy. Italy's producer prices for cattle are the EEC's highest; its feed grain prices, the lowest. Logically, if EEC beef prices are to move toward a common level, Italian cattle prices would have to move downward and French prices upward. In the same way, to attain grain price uniformity, prices would rise for French and Italian feed grains and decline for German. Higher domestic grain prices, tending to limit imports in favor of local production, would favor

(Continued on page 16)

Colombian Wheat Needs Outstrip Country's Capability To Produce

By ROBERT E. ADCOCK
U.S. Agricultural Attaché, Bogotá

Despite vigorous efforts over the past 15 years to increase wheat yields in Colombia, wheat production is declining in this tropical country.

Research has gone on under skilled plant breeders, and promotion programs have carried high price supports, but as with similar work in other countries along the Equator, success at achieving economical production continues just beyond the grasp of scientific and local practice. Poor field conditions interfere so frequently that Colombia's average yield per acre seldom goes above 13 bushels, about half the average yield in the United States.

Costly research continues

In the face of this, Colombian researchers are planning to extend their activities into the vast tropical plains where the temperature average is 78° F. and the rainy season lasts 6 months. These efforts have been relatively well financed. For every ton of imported wheat sold to the mills, the equivalent of $6.50 is contributed to a fund to increase Colombia's own wheat production. Thus, if the plan to import 260,000 tons this year is realized, this support will amount to about $2 million, depending on the peso-dollar rate.

Experimentally, Colombian researchers have produced 90 bushels per acre in the 8,500-foot "Savannah de Bogotá." Also, out of these experimental plots have come strains that rank high in both quantity and quality tests in such noted wheat-producing countries as Canada and Australia, and this is enough to spur research for consistent and dependable results, as long as finances are available.

While the multi-million-dollar hunt goes on, Colombian millers have paid as high as $5.50 a bushel for local wheat, most of which would be called "sample grade" in the United States and would go into livestock feed rather than flour. Such prices have led to abuse of Colombia's limited land in the cool zones. Large areas suitable only for trees or grass are kept in wheat until the farmer no longer has solid footing from which to plant and harvest. Land then is left in open scars for long periods without conservation. Only in the limited, relatively level land of the Savannah is erosion no great problem, but here wheat competes sharply with malting barley, dairying, vegetables, as well as with industrial and recreational uses.

Efforts do not pay off

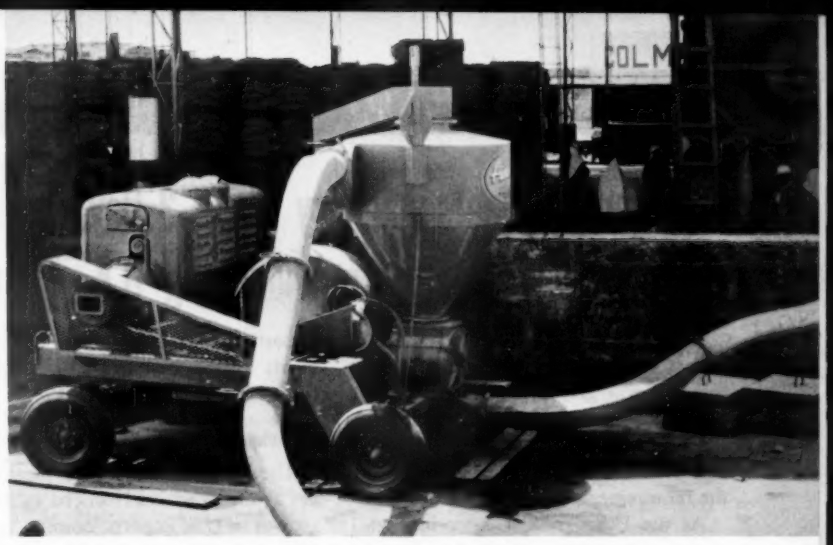
The question naturally arises, Why should tropical countries go to such extremes to produce a crop that is not adapted to their conditions?

Countries far from major producing centers fear shortness of supply in case of world emergencies or shipping problems. And occasionally there are years when such countries succeed in their efforts, but more often wheat-growing becomes a battle between the plant breeder and the ever-mutating rusts. A brave new strain is produced, which in the experimental plot has overcome all the known strains of deadly rust, only to fall under the attack of a new rust a generation or so later.

Colombia's reason for promoting wheat dates back a number of years when a high official in the government was a strong exponent of self-sufficiency. Support prices far above world prices were established, and research on wheat became the No. 1 priority in the Ministry of Agriculture. Corn, a basic food crop, also got scientific attention. Yet neither of these crops has made material progress in terms of nation-wide production.

Projections of study groups

Colombia's effort to adapt Temperate Zone crops to the Tropics has had encouragement from international



Opposite page, threshing machine used on high lands where wheels cannot go. Center, researchers examine wheat trials at experiment station. Above, sacking wheat as it arrives in Colombian port.

study groups which at various times entered the country to measure its agriculture and project its future progress.

One such group in 1955 projected Colombia's production for 1960 at over 9¾ million bushels; the actual harvest was in the neighborhood of 5½ million. This same group also predicted production for 1965 at 12½–13 million bushels; yet the estimate now is for 3¾ million bushels this year, if social, economic, and weather conditions are normal.

Another more conservative group in 1956 determined that Colombia would never be able to produce its wheat requirements. Production in 1965, it said, would not exceed 9⅓ million bushels, and therefore, Colombia would need to import about 2⅓ million bushels to meet consumption needs of almost 12 million.

All estimates came within good range of consumption. Colombia's Food Supply Institute estimated consumption this year at about 13¼ million bushels, but instead of the 2⅓-million import requirement, the Institute expects to import about 9¼ million. If consumption per person continues at the low level of ⅔-bushel estimated this year, Colombia will need about 17 million bushels in 1975.

Alternate crops considered

This situation has led the country's agricultural authorities to consideration of alternate crops. There is a growing feeling that other lagging enterprises, such as wool, grain sorghums, vegetable oils, cocoa, and tropical crops of recognized adaptability, will respond more successfully. Moreover, the population's requirements for such crops are far above the current production. Scarcities exist, and the widening gap between supply and demand is now costing Colombia about $20 million a year.

The growing of these alternative crops plus other uses for the land has already resulted in a reduction of wheat acreage from 395,360 acres in 1960-62 to an estimated 256,984 for this year. It appears that wheat yields may also continue to decrease, as alternative crops take over the better lands, leaving to wheat the marginal, eroding land that can produce only through such ancient practices as hand-seeding, and the use of the hand sickle and the stationary thresher—all quite common in the highlands.

Colombia is being assisted in its land-use problem by favorable world wheat prices and the easily available supplies. With a 30-percent ad valorem and a 10-percent production incentive tax, commercial imports of No. 1 Red wheat cost $39.00 per ton less at the mill than local wheat, and without these taxes, the import price would be about $62.00 below the top mill price.

U.S. wheat bought

In the past 5 years Colombia has imported more wheat than it has produced—26 million bushels compared to 23 million grown locally. Most of it has come from the United States—about half under Public Law 480. It is not a one-sided trade: the United States buys over half of Colombia's total exports. This complementary arrangement permits better use of land and diversion of funds to enterprises that have greater promise.

Reducing costs of imported wheat was started 2 years ago when two U.S. grain companies sent portable unloading and sacking equipment to Colombian ports. Before this, wheat sacked in the country of origin cost, before taxes, about $85 per metric ton; the portable equipment cut this by about $10 a ton. Studies are now being made on permanent unloading equipment and on bulk handling all the way to the mills, and although data on potential saving is not yet available, several wheat agents claim that a handling and storage system, plus elimination of import taxes, would get wheat to the mills at about half of what it costs today.

COLOMBIA'S WHEAT AREA, PRODUCTION, AND IMPORTS

Year	Area	Production	Imports	Total supply
	Acres	*Metric tons*	*Metric tons*	*Metric tons*
1950	355,824	102,000	49,200	151,200
1955	449,722	147,000	52,576	199,576
1959	410,186	145,000	96,253	241,253
1962	370,650	162,000	135,290	297,290
1963	279,223	90,000	93,006	183,006
1964[1]	247,100	85,000	158,068	258,068
1965[2]	256,984	100,000	[3]260,000	360,000

[1] Estimate. [2] Forecast. [3] Estimate made by INA. Ministry of Agriculture.

U.S. Variety Meats Industry Plans 3-Day Seminar And Exhibit This Fall To Widen Big U.K. Market

A two-pronged promotion of U.S. variety meats in the United Kingdom this fall will give U.S. exporters and processors an unusual opportunity to exhibit their products and to gage how well the United States is meeting the requirements of the British market.

At the U.S. Trade Center in London, representatives of the British and American meat industries will gather for the first time for a 3-day seminar on variety meats to begin on September 28. Each day's session will be geared to a specialized audience—manufacturers and processors on the first day—next, representatives of chain food stores, food halls, large caterers, and caterer suppliers—followed by butchers and small caterers.

Talks to be presented by U.K. representatives range from "What the multiple needs in size, type, and variety of packs and quality of products" to "An importer's viewpoint of the problems and opportunities in serving the British market with U.S. variety meats." The U.S. topics, keynoted by addresses by U.S. Assistant Secretary of Agriculture George L. Mehren, include "The ability of U.S. packers to supply the specific requirements of multiples and other large users of variety meats," and "To help you in promoting sales of variety meats."

Promotion at Smithfield

Conjunctively, attention will be focused on U.S. variety meats at London's largest meat wholesale house, the Smithfield market. There the full range of U.S. variety meat products will be featured by three American processors at their permanent sales stations: Swift & Co. (September 27), Wilson Meats (September 28), and Armour & Co. (September 29). These firms—each with its own clientele—are located in widely separated points of the market, so the exposure afforded U.S. variety meats will be maximum during this period.

With the shortage of red meats in Western Europe continuing, the forthcoming promotion will emphasize the ability of U.S. processors to supply almost unlimited quantities of variety meats as the best low-cost substitute for fresh cuts of meat.

U.S. exports up

The strength of the U.K. meat market at this time is evidenced by recent growth in U.S. exports, despite competition from Commonwealth suppliers who benefit from a preferential duty.

Last year's 53-million-pound sales, valued at over $11 million, represented a 55-percent increase from 1963's. As the second largest buyer of U.S. offals (in some years, first) the United Kingdom in 1964 provided an outlet for 23 percent of U.S. variety meat exports to all countries.

Best selling U.S. products in the United Kingdom have been beef tongues, and livers of beef cattle, calves and sheep, followed by kidneys, sweetbreads, tripe, and brains. (U.S. hog offals are banned by Britain's hog-cholera regulations.)

British market specifications

Notwithstanding the ready demand for variety meats—and large availabilities in the United States—it is felt that U.S. exporters might well get a much larger share of the U.K. variety meats trade if armed with a clearer understanding of how to prepare and package meats specifically for this business.

Many U.S. processors selling abroad continue to trim variety meats under identical standards called for in the domestic market but unacceptable to British importers. Requirements for package type and size also vary widely in the two countries, as well as among individual U.K. importers.

The American Meat Institute, which is cooperating with FAS in presenting the London Trade Center seminar, invites U.S. packers and other trade representatives to attend the seminar and participate in the discussions. Write: the U.S. Agricultural Attaché, American Embassy, London.

Thousands at Turkish Fair Visit Soybean Council's Exhibit

Among an estimated 400,000 visitors to Turkey's recent Samsun Black Sea National Fair were (l-r) Samsun's Governor Hamdi Omeroglu, Minister of Commerce Macit Zeren, and General Nami Gunal, here sampling potato chips fried in U.S. soybean oil at Soybean Council of America's stand. The Council's leaflet on the essential value of fats and oils in daily nutrition—containing a message for persons in all professions—was widely distributed and is in line with a current Turkish Government campaign to increase consumption of these foods.

Prominent U.S. Seed Specialists and Industry Leaders To Attend First Tokyo Seed Promotion

Eight top-ranking U.S. specialists in seeds will speak at the seminar to run concurrently with the first exhibit of U.S. seeds in the Far East, August 16-27, at the Tokyo Trade Center.

Sponsored jointly by the American Seed Trade Association and FAS, the event is planned to boost U.S. exports of seeds to Japan, considered by the U.S. seed industry as its fastest-growing world market.

The seminar-exhibit is expected to attract representatives of all phases of the Japanese seed industry in response to some 25,000 invitations which have been sent out. A large delegation of commercial U.S. seedsmen will attend and later will visit commercial seed farms and seed research institutions in Japan.

Dr. Alfred L. Edwards, Deputy Assistant Secretary of Agriculture for Rural Development and Conservation, will represent Secretary Orville L. Freeman at the event.

On the seminar agenda are these speakers and their topics:

William R. Herron, president of the Stanford Seed Co. of Philadelphia . . . "The Seed Industry of the United States." (Mr. Herron is also president of the American Seed Trade Association.)

H. W. Walcott, president of H. W. Walcott Co. . . . "Programs of Production of High Quality Seed in the United States."

J. R. Cowan, head, Agronomy Department, Oregon State University . . . "Cured Forage Quality as Related to Production and Total Digestible Nutrients" and "Grasses for Non-Farm Uses."

H. R. Fortmann, assistant director of the Pennsylvania Agricultural Experiment Station . . . "Forage Crop Production" and "Seed Multiplication for International Contracts."

Fred Rohnert, president, Waldo Rohnert Co. . . . "Quality Control in the Vegetable Industry."

J. R. Huey, president, Moews Seed Co., and president of the American Seed Research Foundation . . . "Cooperative Research in the U.S. Seed Industry."

Carter D. Holton, W. Atlee Burpee Co. . . . "Beauty in Flowers."

Stanley F. Rollin, chief, Seed Branch, Grain Division, Consumer and Marketing Service, U.S. Department of Agriculture . . . "Government-Industry Cooperation in the Seed Business."

A large number of U.S. seed firms, some with Japanese agents, will exhibit their products at the show. Among them are:

Northrup, King & Co., Minneapolis, Minn.; Ferry-Morse Seed Co., Mountain View, Calif.; E. F. Burlingham & Sons, Forest Grove, Ore.; Caladino Farm Seeds, Inc., Willows, Calif.; Pacific Supply Cooperative, Portland, Ore.; W. R. Grace & Co., Rudy Patrick Seed Division, Kansas City, Mo.

Also, Asgrow Seed Co. International, Milford, Conn.; DeKalb Agricultural Association, Inc., DeKalb, Ill.; H. W. Walcott & Co., San Mateo, Calif.; W. Atlee Burpee Co., Riverside, Calif.; Waldo Rohnert Co., Affiliate of Corneli Seed Co., Hollister, Calif.; Johnston Seed Co., Enid, Okla.; Paymaster Seed Farms, Plainview, Texas.

Already the United States' third largest export market for forage seeds, Japan in fiscal year 1964 took $1.7 million worth of U.S. field, forage, and garden seeds—more than double the total of 5 years earlier.

Prospects for continued expansion of this market appear excellent. The Japanese Government has announced its intentions of doubling livestock production by 1971—an achievement which will require increasing quantities of high-grade commercial seeds for improving pastures. Target acreage in improved pastures has been set at nearly 2.5 million acres by 1971.

Crowds Try U.S. Poultry, Rice at Luxembourg

Crowds at U.S. poultry booth

An estimated 130,000 persons visited the U.S. exhibit of rice and poultry at Luxembourg's recent 17th International Fair.

Participating for the second time in the event, the United States was one of 8 countries with official stands. Some 1,700 exhibitors from 38 countries were on hand, with the largest number coming from Germany.

At the U.S. exhibit, representatives of the Institute of American Poultry Industries and the Rice Council presented consumers and tradespeople with a wide range of U.S. fresh-frozen poultry, samples of poultry and rice dishes, and promotional literature.

Promotion of U.S. rice and poultry for the past 2 years at the Luxembourg fair, with extensive coverage by radio, television, and press in Luxembourg, West Germany, France, and Belgium, has helped to achieve significantly larger sales. A side benefit has been a noticeable increase in shelf space given to other U.S. packaged foods like breakfast cereals in Luxembourg's food stores.

Argentine Beef Exports Drop Sharply

Increases in cattle prices since late June in Argentina, the result of greater domestic demand for beef, have led packers to greatly reduce operations and to buy only token quantities for export. Steer prices reached the equivalent of about 20 U.S. cents per pound in mid-July.

Government measures to discourage domestic consumption and to directly stimulate exports have not halted the decline in shipments. These measures include the establishment of two beefless days a week, the requirement that steers from 900 to 1,055 pounds be sold only for export, and the granting of tax benefits to exporters to help offset the price differential between foreign and domestic markets.

Argentine beef exports during January-May 1965 were about 30 percent less than in the same period of 1964 and may decline still further unless means are found to make exports more profitable.

French Wheat Crop Revised Upward

The 1965 wheat crop of France was revised upward to a record 524 million bushels (14,269,000 metric tons) in the second official estimate based on conditions as of July 1. This is 9.2 million bushels (251,000 tons) more than the outlook based on June 1 conditions. Wind damage and lodging were less than originally estimated.

The July 1 estimate is 15 million bushels (415,000 tons) larger than the previous record of 1962, and 24 million (648,000 tons) more than in 1964. Exceptional yields per acre in 1962, 1964, and 1965—45.1, 45.9, and 46.5, respectively—compare with the average of nearly 36 bushels per acre in 1957-61.

The 1965 acreage is estimated at 11,278,000 acres, an increase of 40,000 acres over the June 1 estimate, and 376,000 acres larger than in 1964. Wheat acreage in several years of the last decade was larger than this year's acreage, but lower yields per acre in those years held production much below the current bumper crop.

Outlook Good for Turkish Wheat Crop

Weather has been favorable for the production of a near-record wheat crop in Turkey this year. The harvest is expected to be between 272 million and 283 million bushels (7.4 million to 7.7 million tons) compared with 257 million bushels (7 million tons) in 1964.

Although drought from last September to November retarded germination, considerable snow and rain from late November on improved crop prospects. Mild temperatures prevented any winter-kill. Despite spells of cool spring weather, the crop has developed well in most areas.

Denmark's Butter Exports Rise

Denmark's exports of butter in first quarter, 1965, at 53 million pounds were up 11 percent over the 1964 quarter. Sales to the United Kingdom accounted for more than 90 percent of total butter shipments in both years. Exports to West Germany declined 27 percent to little more than 1 million pounds, but those to most other traditional markets increased. Sales to East Germany, not a purchaser in first quarter of 1964, were over 1 million pounds.

Exports of cheese were down 11 percent to 37 million pounds. Most of the decrease was in shipments to West Germany, the principal market, which declined 13 percent to 19 million pounds. Exports to the United Kingdom of 5 million pounds were only slightly less than those of a year ago. Sales to Italy dropped a sharp 38 percent to 2 million pounds.

France was a heavy purchaser of Danish cheese in first quarter of 1965, taking approximately 2 million pounds; in comparable 1964, purchases were only 73,000 pounds. Shipments to the United States were 2 million pounds in both years.

Denmark recently sold 7 million pounds of cheese to the USSR, in addition to 2 million pounds to Czechoslovakia. Delivery of both orders will be made during the summer.

Turkish Cotton Exports Up

Exports of cotton from Turkey during the first 10 months (August-May) of the current season totaled 718,000 bales (480 lb. net)—25 percent above the 573,000 bales shipped during the same months of 1963-64. Total exports for the full 1964-65 season may reach 800,000 bales, compared with 587,000 bales in 1963-64.

Principal destinations of exports in August-May 1964-65, with comparable 1963-64 figures in parentheses, and in thousands of bales, were United Kingdom 152 (136), Portugal 96 (65), West Germany 82 (77), Belgium 73 (54), Italy 71 (115), France 48 (25), Switzerland 40 (26), Greece 25 (1), Lebanon 24 (17), Spain 14 (1), Yugoslavia 11 (3), Poland 10 (6), and Czechoslovakia 9 (5).

The 1964-65 cotton crop in Turkey is now placed at a record 1.4 million bales. This is 22 percent above last season's crop of 1,150,000 bales and 46 percent above average annual production of 961,000 bales in the past 5 seasons. Acreage this season was 6 percent above the 1,553,000 acres harvested in 1963-64. Average yield this season, at over 400 pounds of lint per acre, is nearly double the 1955-59 average yield of 228 pounds per acre.

Plantings for the 1965-66 crop are progressing normally for the most part despite some delay in the Aegean region because of heavy rains.

Turkish new-crop cotton is now being offered in major world import markets at prices near the level of 1 year ago. On July 22, Izmir Standard I SM 1-1/16 inches new-crop cotton for October-November delivery was offered at 29.25 U.S. cents per pound, c.i.f. Liverpool, while Adana Standard I SM 1 inch was quoted at 26.05. Prices for these qualities at a comparable date a year ago were 29.23 and 26.26 cents, respectively.

Cotton consumption in the full 1964-65 season is expected to approach a record 550,000 bales. Despite the expected record high consumption, cotton stocks on August 1 are expected to be moderately above the 128,000 bales on hand a year earlier.

Canadian Cotton Consumption Lower in June

Canadian cotton consumption, based on the number of bales opened by mills, totaled 37,151 bales (480 lb. net) in June—compared with 38,205 in May and 38,062 in June of 1964. Consumption during the first 11 months (August-June) of the 1964-65 season totaled 428,891 bales, 3 percent above the 417,000 bales opened in the comparable period of 1963-64 and 19 percent above the average consumption of 360,000 bales in the first 11 months of the past 5 seasons.

Suez Canal Shipments Large in May

Northbound movement of oil-bearing materials through the Suez Canal in May were 4 percent above those of April and one-fifth above those of May 1964.

Shipments through the first 8 months of the current U.S. marketing year beginning October 1, 1964, were only fractionally less than in the comparable period last year. Declines occurred in all categories except soybeans and miscellaneous oil-bearing materials.

NORTHBOUND SHIPMENTS OF OIL-BEARING MATERIALS THROUGH THE SUEZ CANAL

Item	May		October-May	
	1964	1965	1963-64	1964-65
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans[1]	276	21,390	43,878	156,068
Copra	46,686	47,090	563,931	505,534
Peanuts	27,306	27,702	152,875	146,177
Cottonseed	5,068	9,991	92,081	86,832
Flaxseed[2]	3,848	1,187	28,071	19,339
Castorbeans	7,356	1,499	57,540	21,219
Palm kernels	1,627	2,260	32,495	20,030
Others	5,979	6,856	78,223	93,656
Total	98,146	117,975	1,049,094	1,048,855

[1] One metric ton of soybeans equals 36.7 bu. [2] One metric ton of flaxseed equals 39.4 bu.
Suez Canal Authority, Cairo, Egypt.

Soybean shipments from Mainland China in May at 786,000 bushels were up 50 percent from those of April and were far in excess of any May shipment of recent years. The October-May total reached 5.7 million bushels, over 3½ times the 1.6 million bushels shipped in the comparable period last year.

NORTHBOUND SHIPMENTS OF SOYBEANS THROUGH THE SUEZ CANAL

Month and quarter	Year beginning October 1				
	1960	1961	1962	1963	1964
	1,000 bu.	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*	*1,000 bu.*
April	441	231	566	100	518
May	184	6	---	10	786
June	588	2	7	596	---
October-December	919	919	12	19	1,604
January-March	6,062	4,082	1,328	1,484	2,826
April-June	1,213	239	573	706	---
July-September	2,756	327	1,585	4,106	---
October-September	10,950	5,567	3,498	6,315	---

Totals computed from unrounded numbers.
Suez Canal Authority, Cairo, Egypt.

Argentine Exports of Linseed Oil Heavy

Argentine exports of linseed oil during January-May 1965 totaled 145,970 metric tons or three-fourths more than the 82,183 tons exported in the comparable period last year. Shipments in May were about 41,000 tons, of which 20,000 went to the USSR. The latter is part of a barter deal in which Russia is supplying Argentina with petroleum. The trade reports that there have been no further sales to Russia.

Exports should be reduced considerably during the second half of the year as the total exportable supply reportedly was approximately 250,000 tons. Unsold stocks are said to be rather small for this time of year.

Virtually no sales are being made for export at present as crushers prefer to sell to the Grain Board at the support of 25.5 pesos per kilo (6.8 cents per lb. converted at the exchange rate of 171 pesos per US$1.00). The Board has been making regular purchases of small quantities of linseed oil, totaling 9,580 tons through July 11.

Flaxseed prices have been relatively strong in recent weeks and well above the support level of 1,300 pesos per quintal (US$1.93 per bushel converted at the rate of 171 pesos per US$1.00). Linseed oil prices have been weak, reflecting international price levels and relatively heavy stocks in Rotterdam.

While it is too early to tell much about farmers' intentions to seed for the 1965-66 season, there is a general feeling among members of the trade that conditions are favorable. The favorable price trend for flaxseed likely will encourage a slight increase in area seeded.

Spain's Production and Trade of Fishmeal and Oil

Production of fishmeal in Spain during 1964 increased to 37,109 metric tons from 33,176 in 1963. It is estimated that only about 9 percent of total fish landings in 1964 was consumed directly by the reduction industry. The bulk of the raw material for the reduction plants is from waste and offal from filleting, canning, and other fish processing industries. Imports of fishmeal declined to 40,457 tons in 1964 from 76,291 in 1963.

Production of fish oil increased to 2,070 tons from 1,811 in 1963. Fish oil imports declined to 3,525 tons in 1964 from 5,368 in 1963.

Philippine Exports of Desiccated Coconut

Exports of desiccated coconut from the Philippine Republic during June totaled 6,058 short tons compared with 4,983 in May and 6,206 in June 1964. Exports during the first 6 months of 1965 totaled 28,589 tons as against 31,716 in January-June 1964. Of the total, 21,317 tons were destined for the United States as against 26,145 in January-June 1964.

Tunisian Olive Oil Exports Up Sharply

Tunisian exports of edible olive oil during the period November 1, 1964, to June 27, 1965, were 46,124 metric tons compared with 23,931 tons in the like period of 1963-64. France and Italy are the major markets.

Turkish Olive Oil Exports Rise

In May, Turkish exports of edible olive oil totaled 1,261 metric tons compared with only 25 tons in the same month of 1964. Cumulative exports in the January-May period of this year were 11,314 tons against 174 tons in the comparable period a year ago. This means a gain of about 55 million T.L. (US$6.1 million) in foreign exchange and reflects increased availabilities from 1964-crop olives.

Indonesia's Exports of Copra, Palm Products

Registered exports of copra from Indonesia during the first 11 months of 1964 totaled 148,956 long tons compared with 86,433 in January-November 1963. Exports of palm oil and palm kernels during the same period amounted to 100,258 and 49,402 short tons, respectively, against 106,951 and 30,119.

Spain Exports Less Olive Oil

Spain's exports of olive oil in the first 7 months of the current marketing year beginning November 1, 1964, were about 22,600 metric tons—sharply below the 84,000 tons exported in the corresponding period of 1963-64.

SPANISH OLIVE OIL EXPORTS

Month	1960[1]	1961[1]	1962[1]	1963[1]	1964[1]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
November	5.3	5.9	4.5	9.2	7.7
December	12.9	5.4	5.6	10.7	2.3
January	16.3	6.3	3.0	12.5	2.2
February	15.6	11.4	1.1	17.8	2.0
March	21.1	11.5	1.0	11.2	2.5
April	18.5	7.5	3.8	13.4	3.2
May	16.9	7.9	2.6	9.2	2.8
June	13.5	8.1	1.1	7.0	---
July	6.4	4.0	1.8	5.4	---
August	7.7	3.0	13.3	3.3	---
September	6.5	3.0	14.4	3.9	---
October	8.4	9.6	14.2	6.6	---
Total	149.1	83.6	66.4	110.2	---

[1] Year beginning November 1.
Olive Oil Exporters' Group, Spanish Olive Oil Syndicate.

Exports for the entire year are expected to decline markedly from those of 1963-64, reflecting the small outturn from 1964-crop olives. Other Mediterranean Basin suppliers (primarily Tunisia, Turkey, Syria, and Greece) are, however, expected to significantly increase their exports to fill export requirements. Prices in the current marketing year are much above those of last year, as a result of reduced export availabilities.

The trade currently forecasts the 1965-66 Spanish (on-year) outturn at 250,000 to 300,000 metric tons. Dry weather reportedly has adversely affected the 1965 crop to be harvested later this year.

Nigeria's Palm Products Purchases

The Regional Marketing Boards of the Federation of Nigeria as of June 24 had purchased 214,546 long tons of palm kernels and 117,507 tons of palm oil (all grades). Purchases of palm kernels through July 2, 1964, totaled 224,864 tons and purchases of palm oil through June 28, 1964, totaled 104,680 tons.

Philippine Exports of Copra and Coconut Oil

Registered exports of copra and coconut oil from the Philippine Republic during the first 6 months, on an oil-equivalent basis, have been revised to total 304,156 long tons (*Foreign Agriculture*, July 26). This was 3 percent below the 313,123 exported in January-June 1964.

Exports of copra to the United States should read 133,577 tons and the revised total, 318,770. Exports of coconut oil to Europe should now read 12,650 tons and the revised total, 100,143.

Mozambique's Copra and Coconut Oil Exports

Copra and coconut oil exports from Mozambique, on an oil-equivalent basis, totaled 5,988 long tons during the first 3 months of 1965 as against 7,464 in January-March 1964. Exports of copra as such declined to 5,133 tons from 9,161 and those of coconut oil rose to 2,703 from 1,601.

Mozambique is the largest copra producing country in Africa. Its exports of copra and coconut oil in calendar 1964 totaled 35,877 tons (oil basis) and accounted for 3 percent of total world copra and coconut oil exports.

Belgium's Cigarette Output Up

Cigarette output in Belgium during January-March 1965 totaled 3.6 billion pieces—up 16 percent from the 3.1 billion produced in the same period last year. Cigars rose to 96 million pieces from 71 million, and cigarillos, at 240 million pieces, were up 7 percent from the January-March 1964 level of 223 million pieces.

Also, the output of smoking mixtures was up 3 percent, whereas the production of chewing tobacco and snuff was down 31 and 11 percent, respectively, from the same period last year.

Greek Tobacco Exports Down Slightly

Greek exports of unmanufactured tobacco in January-March 1965 totaled 43.9 million pounds, compared with 48.3 million in the first 3 months of 1964.

The United States, which took 12.2 million pounds, was the largest purchaser this year. Other important outlets for Greek tobacco in January-March 1965 included West Germany 7 million pounds, Italy 5.4 million, UAR (Egypt) 3.6 million, East Germany 2.3 million, USSR 2.3 million, and Poland 2 million.

GREEK EXPORTS OF UNMANUFACTURED TOBACCO

Destination	January-March		
	1963	1964	1965
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	18,004	20,104	12,162
Germany, West	5,057	5,126	6,960
Italy	3,942	3,680	5,374
UAR (Egypt)	953	3,348	3,648
Germany, East	1,041	686	2,260
USSR	1,052	2,421	2,255
Poland	1,075	3,603	2,001
Czechoslovakia	1,519	1,137	1,400
France	---	---	1,293
Hungary	500	1,483	1,127
Japan	---	---	1,113
Others	2,867	6,691	4,292
Total	36,010	48,279	43,885

Tobacco Intelligence, London.

Canadians Increase Cigarette Output

Cigarette output in Canada during the first quarter of 1965 totaled 10,045 million pieces—up 11.5 percent from the 9,012 million produced in the same period last year. Cigar output rose to 128 million pieces from 124 million and the production of snuff, at 217,000 pounds, was 6 percent greater than the January-March 1964 level of 204,000 pounds. However, the output of cut tobacco and chewing tobacco was down 1 and 6.5 percent, respectively, from the same period last year.

Cigarette sales rose to 10,315 million pieces from 9,152 million for January-March 1964. Cigar sales, at 121 million pieces, were 9 percent greater than the 111 million pieces sold for the same period last year while the combined sales of all the other products were down 2.3 percent.

Rhodesian Flue-cured Auction Sales

Auction sales of flue-cured tobacco on the Salisbury, Southern Rhodesia, market averaged the equivalent of 38.3 U.S. cents per pound for the 19th week of sales, ended July 14. Sales for the week totaled 6.5 million pounds.

Cumulative sales through the 19th week totaled 161.8 million pounds at an average of 41.3 cents, compared with 182.4 million at 33.3 cents for the period last year.

Nigeria To Produce Bagging Fiber

Nigeria, like a number of other African countries, plans to be self-sufficient in bagging fiber.

Recently, 80 metric tons of kenaf seed was air-freighted from Mozambique to start plantings in Nigeria for fiber production to meet the country's large bagging requirements for agricultural produce. In 1963, Nigeria imported 20,116 tons of jute bags and sacks, including 1,762 tons (valued at $716,514) from the United States.

Upper Volta Stabilizes Sugar Prices

As a first step toward encouraging its own sugar industry, Upper Volta recently established a Sugar Price Regularization Fund to stabilize domestic retail sugar prices and in other ways promote production in the country.

The price will be set annually in relation to the world price and, when the world price drops below the fixed domestic price, importers will contribute the difference to the Fund. When the domestic price is higher, the Fund will give importers a subsidy.

Upper Volta currently imports about $2.5 million of sugar yearly, almost 90 percent from France. There is very little sugar produced at present, but plans are underway to develop a local sugar industry, to be financed mainly by the Nationalist Chinese.

Ghana To Further Reduce Cocoa Producer Prices

Continuing low world cocoa prices have forced the United Ghana Farmers' Co-operatives Council to further reduce prices paid to cocoa producers. Beginning with the 1965-66 season, farmers will be paid the equivalent of 9.3 cents per pound, compared with 11.7 cents received for the 1965 mid-crop and 12.6 cents per pound paid for the 1964-65 main-crop.

The Council also announces that subsidies for spray material will be discontinued after present stocks have been depleted and that cocoa farmers will no longer be subject to personal income taxes.

Japanese Honey Imports To Increase

Trade sources expect Japanese honey imports to total 3,500 metric tons (7,716,000 lbs.) in 1965. Imports in 1964 amounted to 2,574 metric tons and have increased since their liberalization on April 1, 1963. The United States was the second largest supplier in 1964, and Mainland China was the primary supplier.

Japan's honey production in 1965 is estimated at 7,500 metric tons, about the same as in 1964. Weather conditions were unfavorable to honey production early in the year, but since mid-May have been very good.

Kenya To Buy USSR Sugar

The Government of Kenya has asked for delivery of 10,000 tons of sugar from the USSR. Delivery of 5,000 tons would be made in September and October and the remainder, early next year. The price will be the world market price at the time.

The Ministry of Commerce and Industry does not expect the purchases to affect continued purchase of Uganda's sugar. Kenya expects to become self-sufficient in sugar and possibly even be a minor exporter by the early 1970's.

Hamburg's Prices on Canned Fruit and Juices

Importer's selling prices landed duty paid (free exquay) to wholesalers, Hamburg, Germany, on orders up to $625 for selected canned fruits and juices in July 1965, April 1965, and July 1964 are compared below:

Type and quality	Size of can	Price per dozen units: July 1964	April 1965	July 1965	Origin
		U.S. dol.	*U.S. dol.*	*U.S. dol.*	
CANNED FRUIT					
Apricots, halves	2½	(1)	(1)	3.15	Spain
Do	15 oz.	1.80	1.71	1.56	Spain
Fancy, halves	2½	[2] 3.54	[2] 3.45	3.42	S. Africa
Choice, halves	2½	(1)	(1)	3.36	S. Africa
Peaches:					
Choice, halves	2½	(1)	3.69	3.75	Australia
Do	2½	3.84	3.93	3.84	U.S.
Do	2½	3.42	(1)	3.27	Greece
Do	No. 10	16.20	14.94	15.09	U.S.
Pears, halves	2½	3.72	3.75	3.80	Argentina
Do	2½	(1)	(1)	3.75	Australia
Fruit cocktail, choice	2½	6.06	4.56	4.71	U.S.
Do	2½	(1)	4.44	4.64	Australia
Fruit salad	2½	(1)	4.53	4.55	Spain
Do	15 oz.	2.60	2.37	2.37	Spain
Pineapple:					
Whole slices, fancy	2½	4.17	4.26	4.47	Philippines
Do	2½	(1)	4.50	4.50	U.S.
Whole slices, choice	No. 1 tall	2.16	2.08	2.06	Malaya
Do	2½	3.57	3.72	3.60	S. Africa
Do	2½	4.68	(1)	4.26	U.S.
Crushed	10	12.09	12.78	12.66	U.S.
Do	10	8.94	9.42	9.33	S. Africa
CANNED JUICE					
Orange, unsweetened	½ Din	1.68	1.50	1.49	U.S.
Do	2	1.80	1.68	1.76	Israel
Do	2	1.86	1.56	1.73	S. Africa
Do	2	1.77	1.53	1.71	Greece
Grapefruit, unsweetened	½ Din	1.68	1.50	1.49	U.S.
Do	2	(1)	1.82	1.85	U.S.
Do	2	1.98	1.90	1.92	Israel
Do	2	1.98	1.88	1.85	S. Africa

[1] Not quoted. [2] Believed to be Fancy.

Australian Hops Estimate Revised Down

Australia's 1965 hops crop is now indicated at 2,560,000 pounds dry weight, or 490,000 pounds less than earlier estimated. Though above the very short 1964 crop, the 1965 harvest is well below the 1958-62 average of 3,748,000 pounds.

The poor harvests in Tasmania and Victoria appear to have been due largely to abnormally cool weather during December, a critical month in the growing period.

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Substantial imports will be needed to meet Australian brewers' requirements. On the basis of current hops consumption of about 4,400,000 pounds, import needs during 1965-66 are likely to approximate 2,000,000 pounds. The bulk of the imports are likely to be supplied by the United Kingdom, Belgium, Yugoslavia, and New Zealand, but there may also be a market for U.S. hops.

The Italian Livestock and Meat Problem

(Continued from page 7)

the Italian grower of coarse grains, but would catch the Italian cattle feeder in a price-cost squeeze. Thus, EEC farm price actions will be important in determining how many Italian farmers can afford to stay in the cattle business. Without the granting of special price considerations to Italy by other EEC countries, the immediate future would not look promising for Italy's cattle feeders.

ITALY'S ANNUAL PER CAPITA MEAT CONSUMPTION

Year	Veal and beef	Pork [1]	Lamb and goat	Poultry and game	Other meat [2]	Total meat
	Pounds	*Pounds*	*Pounds*	*Pounds*	*Pounds*	*Pounds*
1955	21.2	11.5	2.0	4.0	7.7	46.3
1956	22.9	14.1	2.0	4.2	7.9	51.1
1957	24.5	14.3	1.8	4.8	7.7	53.1
1958	26.2	14.3	1.8	6.0	7.9	56.2
1959	28.2	15.2	1.8	6.4	8.8	60.4
1960	29.8	16.5	1.8	8.2	8.8	65.0
1961	31.3	14.3	2.0	9.3	9.7	66.6
1962	34.0	19.6	2.0	10.1	9.9	75.6
1963	39.5	14.6	2.0	11.9	8.6	76.3
1964	35.7	16.5	1.8	12.1	8.6	74.7

[1] Revised series; now includes pork fat. [2] Horse, rabbit, offal, etc.
Italy: Central Institute of Statistics.

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